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These Are the Top Countries Where Bitcoin Is Legal & Illegal

By Palwasha Saaim B.Sc Published : March 23, 2017



(<https://www.profitconfidential.com/wp-content/uploads/2016/12/bitcoin-prices.jpg>) Is Bitcoin Legal or Illegal?

Hopes were crushed and dreams shattered when the **Winklevoss Bitcoin ETF** got rejected by the U.S. Securities and Exchange Commission this month. Legal issues surrounding Bitcoin were once again in question. While the Bitcoin community continues to strive to commercialize Bitcoin, the average Joe is clueless. With limited knowledge at hand, he wants to know whether and where

Bitcoin is legal to buy and trade in the world.



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Imagine living in a world with no banks controlling your money and no governments surveilling your financial footprint, a world where you have complete autonomy over your financial transactions and don't have to pay hundreds of dollars in bank fees. That is the world Satoshi Nakamoto envisioned when he first gave us Bitcoin.

Since then, Bitcoin has been through many ups and downs. The downs were particularly triggered by two key events that held Bitcoin back from getting commercially adopted. Those two events remain the most cited legal issues surrounding Bitcoin.

The first was the “Silk Road” bust back in 2013, when the FBI shut down the biggest online marketplace that accepted bitcoins as payments. What was it selling, you ask? Illegal drugs! This black market gave a big blow to Bitcoin—the otherwise innocent currency garnered mass notoriety for being used as a medium of exchange for illegal activities. The general public started associating Bitcoin with the word “illegal.”

Once the dust around that controversy started settling, the second big blow came from **Mt. Gox**. In case you're new to the Bitcoin world, Mt. Gox was once the biggest Bitcoin exchange, allowing bitcoins to be traded online. But in 2014, a major hacking attack on the exchange wiped away hundreds of thousands of bitcoins worth from the exchange. Many Bitcoiners were stripped of their bitcoins in a matter of minutes. With no formal regulations in place and no official body serving as a guarantor, it was impossible to retrieve the stolen bitcoins.

The two events marred Bitcoin's reputation. The average Joe thought, “Why risk my money in something that's both illegal and unregulated?” The naysayers jumped in on the opportunity to label Bitcoin a fad. Governments followed, as a

But new developments are once again painting a rosy picture for Bitcoin.

Is Bitcoin Legal to Use Everywhere in the World?

There was once a time when paper money wasn't universally accepted and gold was the widely used medium of exchange. Today, it's hard to imagine any part of this world commercial banking hasn't already reached.

But you'll be surprised to know that even in today's age and time, there are far flung areas in countries like Somalia and Afghanistan, where some poor families don't have access to commercial banking. To them, Bitcoin is the safer haven. Yes, these people are choosing to receive remittances in bitcoins.

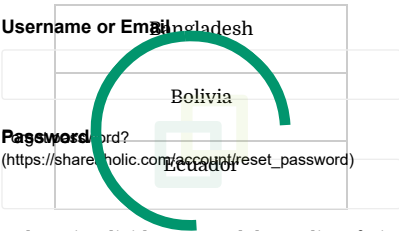
Satoshi's dream is still alive.

Following the Mt. Gox saga, many countries jumped on the anti-Bitcoin bandwagon to ban it. That number, to the Bitcoiners' joy, is now shrinking.

Before I get to that, let's first establish one thing. Just because Bitcoin is not officially proclaimed as legal by some countries, it doesn't automatically become illegal.

Countries Where Bitcoin Is Banned

As of now, three countries are found to be holding up their bans on Bitcoin use.



Most other countries have implicitly accepted the reality of Bitcoin, and have finally raised their white flags. Log in

Take, for instance, the two countries that had previously banned Bitcoin. Russia and Thailand, both banned Bitcoin back in 2014, but have recently started opening up to the idea of cryptocurrencies in 2018. Don't have an account? Sign up (https://shareaholic.com/signup)

Countries Where Bitcoin Is Legal & Officially Accepted

You might now be asking which countries use Bitcoin as a legal currency today. Here are the top eight countries where Bitcoin is officially regulated, widely accepted, and safe to use.

U.S.	Japan
Estonia	Sweden
Canada	Germany
U.K.	Finland

All of these countries have accepted Bitcoin as a legal mode of payment. Some even have more than one exchange for online trading, while others have introduced Bitcoin ATMs and Bitcoin digital wallet apps for easy flow of bitcoins.

What's even more promising is the wave of Bitcoin startups rapidly popping up in these countries. All of these Bitcoin entrepreneurs are working towards one goal. They want to replicate the utility of traditional currencies for Bitcoiners.

You must have already guessed by now that Bitcoin mining is also legal in all of these countries. While some governments have prohibited it at one point or the other, Bitcoin mining has continued at an increasing rate.

In case you're wondering what it is; Bitcoin mining is roughly synonymous with gold mining, except it's all done on a computer.

Bitcoin founder Satoshi Nakamoto ensured that, like gold, Bitcoin will have a limited supply so that no centralized authority may ever control it. This limited supply is tied with a computer code called "blockchain," which only unlocks a pre-defined number of Bitcoins every two years.

Nakamoto set the cut-off time of Bitcoin supply 150 years from its origination in 2009, after which there will be no more bitcoins.

To unlock these bitcoins, miners are constantly solving complex puzzles in the blockchain and, in turn, creating new puzzles. Since these miners are decentralized, no one individual or group can gain control of all of the Bitcoin supply.

In other words, these miners are keeping the Bitcoin infrastructure intact and safe from attackers. For doing their bit in solving and creating these mathematical puzzles, they get paid in bitcoins by the computer. That's how new bitcoins get unlocked or "mined."

One piece of good news is that blockchain—the technology underlying bitcoin—is witnessing an even broader reception than bitcoin itself. In fact, big financial institutions and banks in the countries mentioned above are considering using blockchain in their financial contracts.

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Then there's another interesting development taking place.

Based on the same blockchain technology, a number of alternative cryptocurrencies like altcoin, dogecoin and Ethereum's ether, have also arrived in the market as a substitute to Bitcoin.

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These competing Bitcoin alternatives are supporting Nakamoto's agenda of a decentralized monetary system. Together, these cryptocurrency variants are causing a stir in the market.

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Countries Where Bitcoin Is Legal But Officially Not Accepted

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Cryptocurrency is more than just a buzzword now. People want to know more about it to weigh the various investment options they have. This, in turn, is pushing central banks to devise ways to legitimize Bitcoin's use.

Governments are now left with no option but to review their unfavorable policies against cryptocurrencies. More and more countries are now drafting official regulations to make Bitcoin safer for mass adoption.

These are the top five countries where Bitcoin remains unregulated but is legal to use and widely traded. Keep an eye out on these countries since they could be the next to get Bitcoin recognized by their central banks.

Singapore	Bitcoin is recognized as a commodity, not a currency. Payments in bitcoins are officially accepted as barter. Tax regulations are in place for Bitcoin.
India	No formal government regulations yet but Bitcoin trading is ongoing.
Vietnam	Bitcoin is legal to trade. Official regulations are underway in 2017.
Israel	Some loose regulations are in place. Trade and payments in bitcoin are legal.

China	Only individuals can legally trade. Institutions are forbidden to trade bitcoins. Some strict regulations are in place.
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Bitcoin has come a long way since its birth in 2009—from being an esoteric cryptocurrency to an accepted legal medium of exchange in the U.S. Beyond the U.S., the global financial landscape is also undergoing a massive shift. People from all nations and social statuses are showing an interest in alternative currencies.

Of course, there are some serious legal issues surrounding Bitcoin. The Silk Road and Mt. Gox hacks have raised some big question marks on Bitcoin's viability as an alternative currency. But Bitcoin lovers are looking past these small speed bumps because Bitcoin prices are once again shooting through the roof.



Chart courtesy of <http://bitstampUSD.com> (http://bitstampUSD.com)

The last two years were definitely tough on Bitcoin prices, but you can see on the Bitcoin price chart above that through both the calm and the storm, Nakamoto's dream has remained intact. After a big slump, Bitcoin is once again in demand.

I agree that many of the world's financial institutions don't officially recognize this cryptocurrency as an acceptable mode of payment yet. But one would be a fool to not see its [page visit](https://shareaholic.com/account/reset_password) global adoption rate amongst individuals.

I'm no Bitcoin evangelist, but I don't shy away from appreciating disruptive technologies.

The decentralized monetary system of Bitcoin that Nakamoto dreamed of is a revolutionary idea. It could forever alter the global financial landscape. It's not a question of if, but when.

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And when it does, I wouldn't want to be on the wrong side of history. Would you?

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